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SUBJECT: THIS WEEK IN ALBANIA, JANUARY 28 - FEBRUARY 1

REF: 08 TIRANA 1078

TIRANA 00000071 001.2 OF 002

¶1. (U) The following is a weekly report prepared by Embassy Tirana's local staff to provide political and economic context and insight into developments in Albania. These updates will supplement post's DAR reports and reporting cables.

ECONOMIC DEVELOPMENTS

¶2. (SBU) Oil In Them There Hills?: Albanian media reacted swiftly to the news released by Manas Petroleum regarding potential large oil and gas reserves in Albania. In December 2007, Manas Petroleum, an international oil and gas exploration company headquartered in Switzerland, was awarded a concession by the Albanian government to explore Northern Albania for oil and gas reserves. Manas released findings from a report compiled by Gustavson Associates, a U.S. energy consultancy a "Saudi Arabian" dream for Albania. Representatives of Manas Petroleum did not hide their enthusiasm regarding the report's main findings. Albania has proven oil reserves of 198 million barrels which is more than half the reserves for the entire region. However, the country extracts a mere 8,000 barrels per day, supplying only 25-30 percent of Albania's growing oil needs. As the price of oil continues to skyrocket, the prospect of unearthing oil reserves in Albania may turn a dream into a reality. (Note: Post will report further developments on the Manas study septel.)

¶4. (U) Take the Test on Albanian Customs Performance: When the Albanian Customs' General Director proudly announced that 2007 customs revenues hit 102 percent of the agency's targeted projections, all were praised. The Director said anti-smuggling efforts, better investigations, proper law enforcement, and modernization spurred the impressive performance. Only one item in the press release suggests underperformance - cigarettes. In 2007, Albania officially imported 831 tons of cigarettes, 20 percent less than in 2006. Surprisingly, while Albanians consumed more fuel because of the electricity crisis, drank more alcohol, and drank more coffee to relieve stress caused by long electricity shortages, they suddenly decided to quit smoking. The official reduction in cigarette imports was all the more curious given the long history of cigarette smuggling throughout a region full of habitual smokers. The public seeks to uncover why smoking has decreased in the past year. Suggestions are welcome:

a) Albanians are obeying last year's poorly enforced ban on smoking in public places;

- b) They suddenly became aware of smoking's health risks;
- c) Increased cigarette prices discouraged them from smoking; or
- d) Custom's anti-smuggling efforts are an area for improvement for the government.

SOCIAL INDICATORS

¶5. (U) May You Never Go to Hospital!: As Albania's Ministry of Health struggles to increase levels of adequate health care across the country, the poor state of the country's medical equipment begs for attention. Albania's 36 regional hospitals are currently plagued with outdated, dilapidated medical equipment. Most have archaic apparatus dating back three decades, half of which is broken, malfunctioning, or unusable due to lack of maintenance. Patients are often advised to wait weeks or even months for equipment to be fixed to have rudimentary tests and examinations performed. There are even medical centers, albeit in rural areas where state services traditionally lag behind those provided in urban centers, which lack such basic amenities as a patient's bed. Albanian Ministry of Health officials stated that they plan to perform an inventory of all medical equipment to begin to remedy the current lack of proper, working equipment in hospitals. A further indignity that accosts Albanians are the small, routine bribes that must be paid to virtually everyone from the hospital cleaning lady to administrative staff up to the doctors treating them for Albanians to receive their "free" healthcare. The common wish

TIRANA 00000071 002.2 OF 002

exchanged between Albanians continues to be, "May you never go to hospital." (Note: The GOA's FY08 national budget boosts spending for the health sector to USD 345 million or 2.9 percent of GDP, up from 2.1 percent in 2006. See 07 Tirana 1078.)

CULTURE

¶6. (U) Art Piece Stirs Local Outcry: A 1987 painting of the infamous Albanian dictator Enver Hoxha and his wife strolling in the southeastern city of Pogradec is on display in a hotel restaurant in Drilon. During Communism, Drilon was one of many areas Hoxha forbade ordinary Albanian citizens to visit between 1964 and 1985. Once utilized by the Hoxha family for vacations, the restaurant is receiving mixed reactions over the painting from patrons. The painting is offered for sale for 3,500 euros and has provoked fierce reactions from diners, some of whom were quoted by local media: "No way - it's a provocation," and, "It's irritating to look at that face again," said another. One restaurant customer was not bothered by the Hoxha portrait: "We are in a democracy. Anything can happen."

HISTORY

¶7. (U) Holocaust Remembrance Day: This week Albania commemorated Holocaust Remembrance Day with a series of high profile events aimed at casting light on the country's record of assisting and harboring Jews during World War II. The Honorable Warren L. Miller, Chairman of the U.S. Commission for the Preservation of America's Heritage Abroad, addressed the Albanian Parliament in a plenary session attended by Prime Minister Berisha, Members of Parliament and Albanian family members whom saved Jews during the Holocaust. "One simple fact says it all," stated Miller, "Albania was the only country in Europe which had a larger Jewish population after the Second World War than before." Prior to Miller's address, Prime Minister Berisha affirmed, "On this day, we take pride in the fact that the Albanian(s), even though under a savage occupation, not only offered no cooperation in the exterminating hunt against the Jewish community, but they also defended them with their own lives."

¶8. (U) Prior to World War II, there were only 200 known Jews in Albania. By the end of the Second World War, Albania had

2,500-3,000 Jews from neighboring areas, including Dalmatia, Montenegro, Kosovo, Serbia, Macedonia, Bulgaria and Greece. Albanian quisling authorities refused to provide the Germans with a list of Jews, as Albanian families vowed to provide shelter to thousands. Mr. Refik Veseli was the first of 60 Albanians recognized as a "righteous person" by the State of Israel for aiding Jews during the Holocaust. When asked why so many Albanians saved Jews, Veseli replied, "There are no foreigners in Albania, only guests, and the Albanian moral code requires that guests be treated hospitably."

19. (U) Story of the Week: "Another here was a farmer in Kruja, Sulo Mecaj, who in 1943 sheltered 10 Jews in his home. When he was warned that Germans were coming to his house to search for Jews, he told the Jews to (use) a crawl space he had prepared for them in the attic. The Jews were terrified of being found - and one asked what would happen if the Germans were to set fire to the house. To reassure them, Sulo Mecaj told his only son to hide with the Jews in the attic, and suffer their fate if the house was set on fire. Years later, his son said he understood why his father put his life in danger- it was a matter of honor."

Excerpts from the remarks of Warren L. Miller, Chairman U.S. Commission for the Preservation of America's Heritage Abroad, delivered to a session of the Albanian Parliament on the Holocaust Remembrance Day.

WITHERS